

## Message Text

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FM SECSTATE WASHDC

TO USMISSION GENEVA IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY BELGRADE IMMEDIATE

AMEMBASSY BUENOS AIRES IMMEDIATE

C O N F I D E N T I A L STATE 175444

EXDIS

E.O. 11652: GDS

TAGS: ECOSOC, UN, PFOR, PGOV, EFIN, EGEN

SUBJECT: 61ST ECOSOC--U.S. PROPOSAL ON ILLICIT PAYMENTS

REFS: (A) STATE 166873; (B) GENEVA 5481; (C) GENEVA 5552

1. DEPT IS PLEASED WITH INDICATIONS OF SUPPORT FROM ITALY, NETHERLANDS AND VARIOUS OTHER DELS CONTACTED IN GENEVA. WE HAVE EXPECTED SUGGESTIONS FOR TEXT OF RESOLUTION TO BE MADE BY POTENTIAL COSPONSORS AND WE ARE EAGER TO RECEIVE SPECIFIC LANGUAGE THAT COLOMBIA OR OTHER DELS MAY WISH US TO CONSIDER. WE ALSO UNDERSTAND CONCERN AMONG KEY LDCS THAT ACCELERATED WORK ON BRIBERY TREATY NOT PREEMPT WORK ON A MORE GENERAL CODE OF CONDUCT IN RESPECT OF TNCS. YOU ARE AUTHORIZED TO REITERATE ASSURANCES THAT USG INTENDS TO ACTIVELY PARTICIPATE IN THE WORKING GROUPS THAT WILL BE ESTABLISHED UNDER AUSPICES OF TNC COMMISSION TO PURSUE THAT

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WORK. WE SEE NO INCOMPATIBILITY BETWEEN THE TWO PROJECTS

AND WOULD BE PREPARED TO MAKE APPROPRIATE REFERENCE TO WORK ON A GENERAL CODE OF CONDUCT IN PREAMBLE OF U.S. RESOLUTION ON ILLICIT PAYMENTS TREATY. IN OUR VIEW, PROGRESS ON IMPORTANT MATTER OF COMMON CONCERN SUCH AS BRIBERY WILL DEMONSTRATE POSSIBILITY OF NORTH/SOUTH AGREEMENT ON TRADE AND INVESTMENT ISSUES AND PROVIDE POSITIVE ATMOSPHERE FOR CONTINUED WORK ON CODE.

2. DEPT NOT SURPRISED THAT A NUMBER OF COUNTRIES, INCLUDING EC COUNTRIES, ARE RELUCTANT TO ESTABLISH SPECIFIC MANDATE FOR WORKING GROUP TO DRAFT A TREATY ON ILLICIT PAYMENTS. FYI: ONE OF THE KEY PURPOSES OF U.S. INITIATIVE IS TO SET OUT SAME STANDARDS FOR U.S. COMPANIES AND THEIR COMPETITORS AS REGARDS ILLICIT PAYMENTS SO AS TO AVOID PLACING U.S. FIRMS IN A POOR COMPETITIVE POSITION. THESE COUNTRIES UNDERSTAND THE SITUATION VERY WELL AND SOME OF THEM ARE QUITE PREPARED TO SEE STATUS QUO MAINTAINED IN ORDER TO OBTAIN POSSIBLE COMPETITIVE ADVANTAGE. A LEGALLY BINDING TREATY WHICH CAN HAVE EFFECTIVE INFLUENCE ON GOVERNMENTAL ACTION MAY ALSO POSE PROBLEMS FOR SOME LDCS WHO HAVE GIVEN LIP SERVICE TO THE NEED TO TERMINATE CORRUPT ACTIVITIES. END FYI USDEL SHOULD UNDERSTAND THAT SPECIFIC TREATY MANDATE IS CORE OF THE U.S. PROPOSAL. U.S. CONGRESSIONAL AND PUBLIC OPINION IS ALREADY HIGHLY SKEPTICAL OF THE POSSIBILITY OF ACHIEVING EFFECTIVE INTERNATIONAL ACTION IN ANY REASONABLE TIMEFRAME AND THE ESTABLISHMENT OF A WORKING GROUP WITH A GENERAL MANDATE TO STUDY THE PROBLEM WILL BE WIDELY PERCEIVED AS A SUBSTITUTE FOR ACTION. MOREOVER, AS A PRACTICAL MATTER, THIS PERCEPTION COULD EASILY TURN OUT TO BE CORRECT. FURTHERMORE, WE HAVE TO BE CONCERNED THAT A VAGUE MANDATE TO A WORKING GROUP ON CORRUPT PRACTICES COULD LEAD TO PROPOSALS IN A WIDE RANGE OF DIRECTIONS INIMICAL TO U.S. ECONOMIC INTERESTS. WE WILL WANT TO FOCUS WORK ON THIS SUBJECT ON NARROW, BUT PRACTICAL, LEGAL MEASURES WHICH WILL DEAL WITH THE PROBLEM OF BRIBERY IN INTERNATIONAL TRANSACTIONS WITH GOVERNMENTS.

3. WE ARE SURPRISED TO HEAR THAT CERTAIN DELS ARE WITHOUT CLEAR INSTRUCTIONS. AMEMBASSY IN ARGENTINA (BUENOS CONFIDENTIAL

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AIRES 4467) JAPAN (TOKYO 9115) AND YUGOSLAVIA (BELGRADE 3005) HAVE BEEN NOTIFIED THAT THESE GOVERNMENTS WOULD SUPPORT U.S. PROPOSAL.

4. ACTION REQUESTED: EMBASSIES IN B.A., TOKYO AND BELGRADE SHOULD CONFIRM THAT INSTRUCTIONS TO SUPPORT U.S. PROPOSAL HAVE BEEN SENT. KISSINGER

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## Message Attributes

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